

SENATE BILL

No. 65

**Introduced by Senator Huff
(Coauthor: Senator Wyland)**

February 16, 2010

An act to add Section 1349.3 to the Health and Safety Code, and to add Section 699.6 to the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

SB 65, as introduced, Huff. Out-of-state carriers.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, requires, subject to specified exceptions, that a health care service plan be licensed by the Department of Managed Health Care and provide basic health care services, as defined, unless exempted from that requirement by the director of the department. Existing law also requires, subject to specified exceptions, that an insurer obtain a certificate of authority from the Insurance Commissioner in order to transact business in this state and that the insurer operate in accordance with specified requirements.

This bill would allow a carrier domiciled in another state to offer, sell, or renew a health care service plan contract or a health insurance policy in this state without holding a license issued by the department or a certificate of authority issued by the commissioner. The bill would exempt the carrier's plan contract or policy from requirements otherwise applicable to plans and insurers providing health care coverage in this state if the plan contract or policy complies with the domiciliary state's requirements, and the carrier is lawfully authorized to issue the plan or policy in that state and to transact business there.

The California Constitution authorizes the Governor to declare a fiscal emergency and to call the Legislature into special session for that purpose. The Governor issued a proclamation declaring a fiscal emergency, and calling a special session for this purpose, on January 8, 2010.

This bill would state that it addresses the fiscal emergency declared by the Governor by proclamation issued on January 8, 2010, pursuant to the California Constitution.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1349.3 is added to the Health and Safety
2 Code, to read:
3 1349.3. (a) Notwithstanding any other provision of law, a
4 carrier domiciled in another state is exempt from Section 1349, if
5 it meets the following criteria:
6 (1) It offers, sells, or renews a health care service plan contract
7 in this state that complies with all of the requirements of the
8 domiciliary state applicable to the plan contract.
9 (2) It is authorized to issue the plan contract in the state where
10 it is domiciled and to transact business there.
11 (b) Notwithstanding any other provision of law, a health care
12 service plan contract offered, sold, or renewed in this state by a
13 carrier that satisfies the criteria of subdivision (a) is exempt from
14 all other provisions of this chapter.
15 SEC. 2. Section 699.6 is added to the Insurance Code, to read:
16 699.6. (a) Notwithstanding any other provision of law, a carrier
17 domiciled in another state is exempt from Section 700, if it meets
18 the following criteria:
19 (1) It offers, sells, or renews a health insurance policy in this
20 state that complies with all of the requirements of the domiciliary
21 state applicable to the policy.
22 (2) It is authorized to issue the policy in the state where it is
23 domiciled and to transact business there.
24 (b) Notwithstanding any other provision of law, the health
25 insurance policy offered, sold, or renewed in this state by a carrier
26 that satisfies the criteria of subdivision (a) is exempt from all other
27 provisions of this code.

1 SEC. 3. This act addresses the fiscal emergency declared by
2 the Governor by proclamation on January 8, 2010, pursuant to
3 subdivision (f) of Section 10 of Article IV of the California
4 Constitution.

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